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FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS

Report of the Fifth Committee (Part I)

Rapporteur: Mr. Mahbub KABIR (Bangladesh)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 24 September 1993, the General Assembly decided to include in the agenda of its forty-eighth session the item entitled:

> "Financial reports and audited financial statements, and reports of the Board of Auditors:
>
> "(a) United Nations Institute for Training and Research;
>
> "(b) Voluntary funds administered by the United Nations High Commissioner for Refugees"

and to allocate it to the Fifth Committee.

2. At its 19th, 20th, 22nd, 23rd and 29th meetings, on 17, 18, 22 and 23 November and 4 December 1993, the Fifth Committee considered the financial reports and audited financial statements for the period ended 31 December 1993, and the reports and audit opinions of the Board of Auditors concerning the United Nations Institute for Training and Research, 1/ and the voluntary funds administered by the United Nations High Commissioner for Refugees. 2/

1/ Official Records of the General Assembly, Forty-eighth Session, Supplement No. 5D (A/48/5/Add.4).

2/ Ibid., Supplement No. 5E (A/48/5/Add.5).

3. The Committee also had before it the following documents:

(a) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors (A/48/516);

(b) Report of the Secretary-General on accounting standards (A/48/530);

(c) Report of the Secretary-General on the recovery of misappropriated funds (A/48/572);

(d) Report of the Secretary-General on independent audits and management reviews of activities of the United Nations system (A/48/587);

(e) Note by the Secretary-General transmitting a summary of the principal findings and conclusions for remedial action of the Board of Auditors (A/48/230).

4. The comments and observations made in the course of the Committee's discussion of the item and the replies to queries raised are reflected in the relevant summary records (A/C.5/48/SR.19, 20, 22, 23 and 29).

II. CONSIDERATION OF DRAFT RESOLUTION A/C.5/48/L.7

5. At the 29th meeting, on 4 December, the Vice-Chairman of the Committee, following informal consultations, introduced a draft resolution entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" (A/C.5/48/L.7).

6. At the same meeting, the Committee adopted draft resolution A/C.5/48/L.7 without a vote (see para. 7).

III. RECOMMENDATION OF THE FIFTH COMMITTEE

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

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The General Assembly,

Having considered the financial reports and audited financial statements for the period ended 31 December 1992 of the United Nations Institute for

Training and Research 3/ and the voluntary funds administered by the United Nations High Commissioner for Refugees, 4/ as well as the summary of the principal findings and conclusions for remedial action of the Board of Auditors, 5/

Noting the steps taken by the executive heads and governing bodies of the United Nations Institute for Training and Research and the Office of the United Nations High Commissioner for Refugees to give appropriate consideration and attention to the recommendations in earlier audit reports, as commented upon by the Board of Auditors in the annexes to its current reports,

1. Recognizes that the Board of Auditors conducts its reviews in a comprehensive manner, as stipulated in regulation 12.5 of the Financial Regulations of the United Nations, and expresses its appreciation to the Board for the action-oriented and concrete recommendations contained in its reports;

2. Accepts the financial reports and audited financial statements and the audit opinions and reports of the Board of Auditors regarding the aforementioned organizations;

3. Also accepts the concise summary of principal findings, conclusions and recommendations for remedial action of the Board of Auditors;

4. Notes with concern that the Board of Auditors issued a qualified audit opinion on the financial statements of the United Nations Institute for Training and Research and, in this connection, reaffirms the importance of compliance with the Financial Regulations of the United Nations, especially regulations 4.1 and 13.2;

5. Approves all the recommendations and conclusions of the Board of Auditors;

6. Requests the Office of the United Nations High Commissioner for Refugees to implement better financial management systems that will permit an effective and economic delivery of its programme and reduce persistent over-obligation of funds.

B

The General Assembly,

Recalling its resolution 47/211 of 23 December 1992, and especially paragraphs 9 and 10 thereof,

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3/ Official Records of the General Assembly, Forty-eighth Session, Supplement No. 5D (A/48/5/Add.4).

4/ Ibid., Supplement No. 5E (A/48/5/Add.5).

5/ A/48/230, annex.

Having considered the report of the Secretary-General 6/ on the implementation of the recommendations of the Board of Auditors in its report for the period ended 31 December 1991, 7/

1. Recognizes the role of the Board of Auditors in carrying out comprehensive and financial audits of the United Nations and its organizations and programmes;

2. Takes note of the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors, 6/ and requests the Board to consider the report when it follows up on its recommendations in its report to the General Assembly at its forty-ninth session;

3. Notes with deep concern that, with a few commendable exceptions, most United Nations organizations and programmes have taken no steps to address the requests contained in paragraphs 9 and 10 of its resolution 47/211;

4. Urges the executive heads of the International Trade Centre, the United Nations University, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the United Nations Environment Programme, the United Nations Population Fund and the United Nations Habitat and Human Settlements Foundation to comply fully with paragraphs 9 and 10 of its resolution 47/211;

5. Reiterates its request to the executive heads of the United Nations organizations and programmes to submit reports on measures taken or to be taken in response to the recommendations of the Board of Auditors, including timetables for their implementation, to the General Assembly at its resumed forty-eighth session, through the Advisory Committee on Administrative and Budgetary Questions;

6. Requests the executive heads of the United Nations organizations and programmes, in preparing the above-mentioned reports, to give particular attention to the recommendations of the Board of Auditors regarding procurement, the employment of consultants and property accountability in field missions and, in this connection, further requests the Board, in its audits for the biennium 1992-1993, to give particular attention to those matters;

7. Requests the Secretary-General and the executive heads of the United Nations organizations and programmes, at the same time as the recommendations of the Board of Auditors are submitted to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, to provide the Assembly with their responses and to indicate measures that would be taken to implement these recommendations, with appropriate timetables;

6/ A/48/516.

7/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 5 (A/47/5).

8. Also requests the Secretary-General and the executive heads of the United Nations organizations and programmes to draw attention in such reports to the recommendations of the Board of Auditors, the implementation of which would require action by the General Assembly.

C

The General Assembly,

Recalling its decisions 46/445 of 20 December 1991 and 47/449 of 22 December 1992,

Having considered the report of the Secretary-General on accounting standards, 8/

1. Takes note with appreciation of the report of the Secretary-General; 8/

2. Takes note of the United Nations system accounting standards contained in the annex to the report of the Secretary-General, and requests the Secretary-General and the executive heads of the United Nations organizations and programmes to take those standards into account in the preparation of their financial statements for the period ending 31 December 1993;

3. Also takes note of the organizations' plans for the application and development of the United Nations system accounting standards, as reflected in paragraphs 9 and 11 of the report of the Secretary-General, and requests the Secretary-General to report thereon to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, at its fifty-first session.

D

The General Assembly,

Noting that the United Nations and most of its organizations and programmes have a two-year financial period, but that members of the Board of Auditors have a three-year term of office,

Invites the Board of Auditors, in consultation with the Secretary-General, to report to the General Assembly at its forty-ninth session, through the Advisory Committee on Administrative and Budgetary Questions, on the implications of extending the term of office of members of the Board of Auditors to four or six years.

8/ A/48/530.